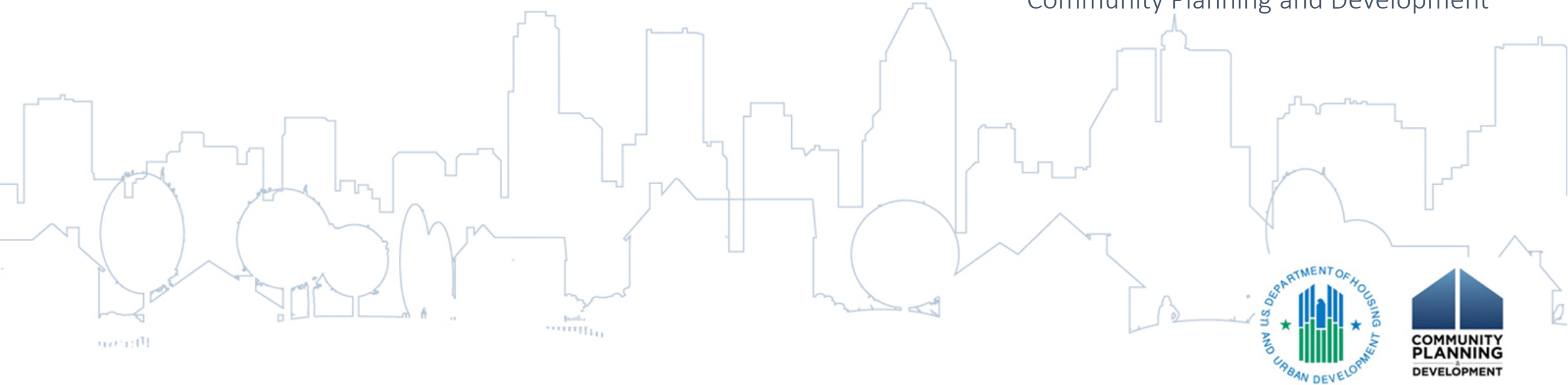


Community Development Block Grant Disaster Recovery

CDBG-DR Overview

July 2025

U.S. Department of Housing and Urban Development
Community Planning and Development



Learning Objective

To have a basic understanding of the Community Development Block Grant disaster recovery (CDBG-DR) funding, administered by the Department of Housing and Urban Development, including:

- Current Funding Amounts and Management
- Allocation Process
- Roles and Responsibilities
- Eligible Activities
- High-Risk Compliance Areas



Funding and Management

CDBG-DR Grant Portfolio

- \$111.67 Billion Allocated by Congress, to Date
- \$106.8.5 Billion in Active Grants

98 Active Grantees

- 273 Active Grants

Management of Disaster Grants

HUD Headquarters

- Manage large grants (usually >\$500M)

HUD CPD Field Offices

- Manage all other grants



Funding

Congress has appropriated the following CDBG Disaster Recovery Funding:

- FY 2025 - \$12 billion to assist recovery from Events in 2023 and 2024
- FY 2023- \$3 billion to assist recovery from Events in 2022 or later
- FY 2022- \$2 billion to assist recovery from Events in 2021 and 2022
- FY 2021 - \$5 billion to assist recovery from Events in 2020 and 2021
- FY 2019 - \$2.4 billion to assist recovery from Events in 2018 and 2019
- FY 2019 - \$ 1.68 billion to assist recovery from Events in 2018
- FY 2018 - \$28 billion to assist recovery from Events in 2017 and to assist mitigation activities in areas effected by Events in 2015, 2016 and 2017
- FY 2017 - \$7.4 billion to assist recovery from Events in 2017
- FY 2017 - \$400 million to assist recovery from Events in 2015, 2016, & 2017
- FY 2016 - \$1.805 billion to assist recovery from the Louisiana Floods and other Events in 2016
- FY 2016 - \$500 million to assist recovery from the Louisiana Floods and other Events in 2016
- FY 2016 - \$300 million to assist recovery from Hurricane Joaquin, Hurricane Patricia, and other flood events occurring in 2015
- FY 2013 - \$16 billion to assist recovery from Hurricane Sandy including Rebuild by Design, and National Disaster Resilience. (\$15.18 billion after sequester)
- FY 2012 - \$400 million to assist recovery from multiple disasters occurring in 2011



Funding

Congress has appropriated the following CDBG Disaster Recovery Funding:

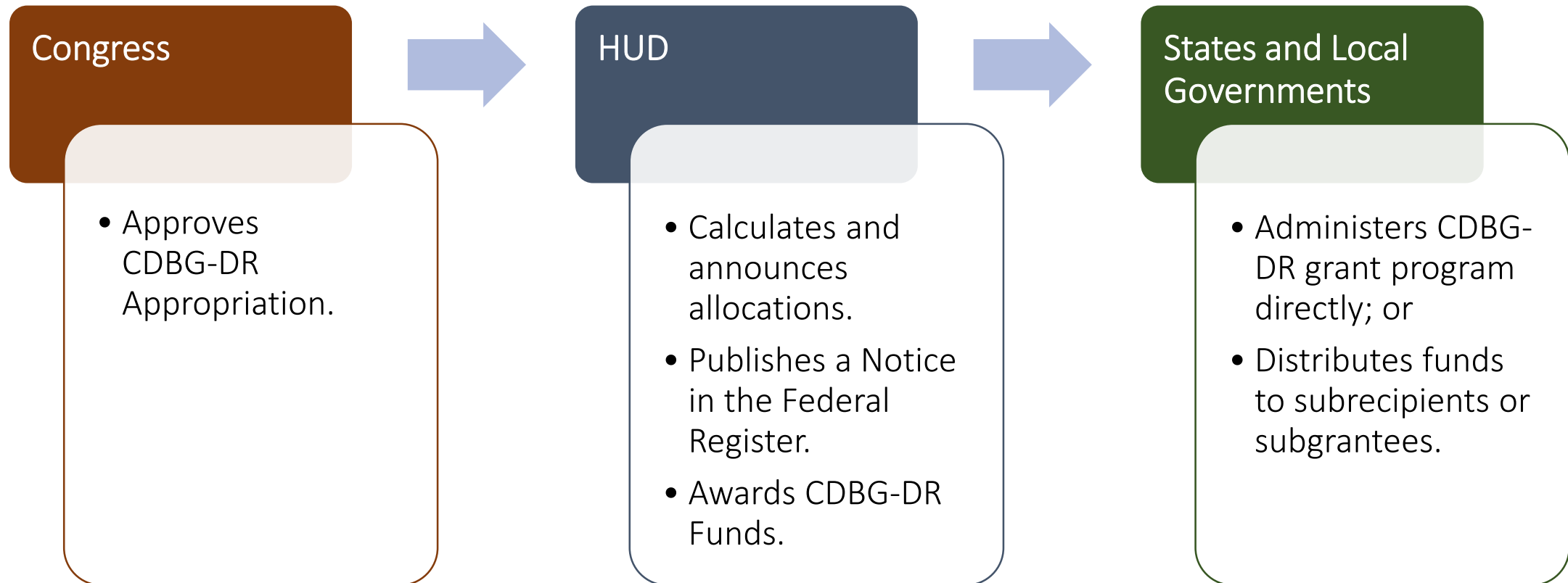
- FY 2010 - \$100 million to assist recovery in areas affected by severe storms and flooding from March 2010 through May 2010
- FY 2008 - \$6.1 billion to assist recovery from all 2008 disasters, including Hurricanes Ike, Gustav and Dolly
- FY 2008 - \$300 million to assist recovery from the Midwest floods
- FY 2008 - \$3.0 billion to supplement the LA homeowner assistance program
- FY 2006 - \$16.7 billion to assist the victims of Hurricanes Katrina, Rita, and Wilma
- FY 2005 - \$150 million to assist recovery from multiple disasters
- FY 2002 - \$2.783 billion to assist post-September 11th New York City's recovery efforts
- FY 2001 - \$700 million to assist post-September 11th New York City's recovery efforts
- FY 1999 - \$20 million to assist recovery from multiple disasters
- FY 1998 - \$130 million to assist recovery from multiple disasters
- FY 1997 - \$500 million to assist recovery from upper Midwest floods
- FY 1996 - \$50 million to assist recovery from multiple disasters
- FY 1995 - \$39 million to assist with recover from the Oklahoma City bombing
- FY 1994 - \$180 million to assist with recovery from Tropical Storm Alberto
- FY 1994 - \$225 million for the Northridge Earthquake
- FY 1994 - \$425 million for the recovery from the earthquake in Southern California and Midwest Floods
- FY 1993 - \$85 million to assist with recovery from Hurricanes Andrew, Iniki, and Typhoon Omar



CDBG-DR Recovery Process



The Disaster is Presidentially Declared



Why HUD and CDBG?

- HUD administers Community Development Funds
- Managing Disaster Grants since 1992
- Flexibility of the CDBG Program
 - Waivers and alternative requirements



CDBG-DR: Appropriation – Not a Program

- No annual appropriation for CDBG-DR
- Statutory authority is via individual supplemental appropriations
- CDBG Regulations apply, unless modified by Federal Register Notice or published on HUD's website
 - FR Notice outlines what a grantee can do and identifies regulations or statute that HUD waived specific to that appropriation



Purpose of CDBG-DR Funds

- Focuses on long-term recovery efforts
- Addresses unmet needs that other federal programs have not addressed yet
- Funds **SUPPLEMENT** and fill remaining gaps
- CDBG-DR cannot **SUPPLANT** other federal funds



HUD and CDBG-DR Grantees Roles and Responsibilities



HUD CDBG-DR Role and Responsibility

- Review CDBG-DR Action Plans and manage CDBG-DR funds
- Provide CDBG-DR grantees with guidance and technical assistance
- Monitoring CDBG-DR grantees to ensure performance and compliance



CDBG-DR Grantee Role and Responsibility

- Design and implement recovery programs to meet unmet recovery needs
- Establish internal controls to ensure performance and compliance; monitor subrecipients
- Provide technical assistance to subgrantees and subrecipients

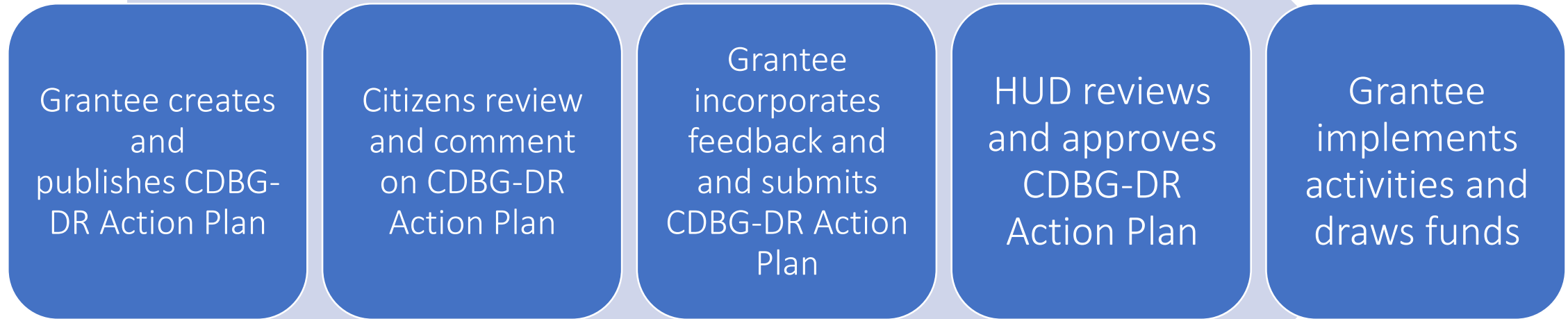


CDBG-DR Grantee Role and Responsibility

- Review project applications to ensure that all activities are eligible
- Ensure that activities are compliant with all other requirements such as creating Section 3 economic opportunities and affirmatively furthering fair housing
- Track progress to ensure timely recovery



Action Plan Process



Grant Agreement Process and Conditions

- After Action Plan approval, HUD signs a grant agreement with the grantee.
- The grant agreement usually contains grant conditions, examples of these are:
 - Submitting to HUD policies and procedures within certain dates or prior to signing subrecipient agreements
 - Fulfilling critical positions within a certain timeframe



Eligible Use of CDBG-DR Funds



CDBG-DR Appropriation Laws

- CDBG-DR funds must be used for:

“...necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation...”



CDBG-DR Requirements

- Each CDBG-DR activity must:
 - Address a disaster-related impact (direct or indirect) in a Presidentially-declared area for the covered disaster
 - Be a CDBG eligible activity
 - Meet a CDBG national objective



Recovery Activities

- Disaster-related activities are those that demonstrate a logical connection between the impacts of the covered disaster and the activity's contribution to community recovery.
- Examples:
 - Rebuilding homes and infrastructure damaged by the disaster
 - Providing assistance to affected business owners



Housing Recovery

Description

Activities that lead to restoring and improving the housing stock.

Examples

- New construction
- Rehabilitation/reconstruction
- Single family or multifamily
- Owner or rental



Eligible Restoration of Infrastructure

Description

Activities that rebuild or replace impacted infrastructure.

Examples

- Road and Bridge Repair
- Water & Wastewater Facilities
- Limited flexibility for “buildings for the general conduct of government”



Economic Revitalization

Description

Activities that address job losses, impacts to tax revenues, and impacts to business.

Examples

- Job training and workforce development
- Loans and grants to businesses
- Improvements to commercial/rental districts



Public Services

Description

Activities which establish public services that address specific needs to strengthen the community post-disaster.

Examples

- Legal services
- Disaster relief assistance
- Housing Counseling
- Mental Health Services & Counseling
- Disaster Preparedness Programs
- Services to address homelessness



Demonstrating Connection to the Disaster

- The entity responsible for the recovery activity must document how the activity is
 - Addressing a disaster-related impact
 - Restoring housing, infrastructure, or the economy
- Direct tie-back activities make a clear connection to the impact of the disaster (i.e., reconstruction activities for homes with a damaged roofs cause by the disaster).
- Indirect tie back activities address a broader range of disaster-related needs that may not have been physically impacted by the disaster (i.e., economic revitalization activities)



Ineligible CDBG-DR Activities

- Activity does not respond to an identified disaster-related impact
- Activity is restricted in the appropriation laws
- Activity is ineligible per the CDBG regulations (and a waiver has not been granted)
- Activity fails to meet a CDBG national objective



Resilience and Mitigation

- Mitigation or resilience activities must be a part of rebuilding efforts through CDBG-DR eligible activities.
- These efforts must align with other federal agencies that provide funds specifically for mitigation and resilience.
 - Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program (HMGP)



Equipment

- Purchasing equipment is typically an ineligible activity
- When may the purchase of equipment be CDBG eligible?
 - Fire protection equipment if considered to be an integral part of a public facility
 - Equipment that constitutes all or part of a public service
 - Equipment that is attached to a structure, and becomes an integral fixture



National Disaster Resilience

- On September 17, 2014, HUD created the CDBG-DR National Disaster Resilience Competition (CDBG-NDR) which awarded almost \$1 billion in funding for disaster recovery and long-term community resilience through a two-phase competition process.
- All states and units of general local governments with major disasters declared in 2011, 2012, and 2013 were eligible to participate in Phase 1 of the competition.
- Based on a review of the Phase 1 application, 40 states and communities were initially invited to compete in the second and final phase of CDBG-DR and on January 21, 2016, HUD awarded grants to the following 13 CDBG-NDR finalists: California, Connecticut, Iowa, Louisiana, Minot (ND), New Jersey, New Orleans (LA), New York, New York City (NY), Shelby County (TN), Springfield (MA), Tennessee, and Virginia.
- National Disaster Resilience FR Notice: [81 FR 36557](#)



Rebuild by Design

- The Hurricane Sandy Rebuilding Task Force launched the Rebuild By Design competition in June 2013, a multi-stage planning and design competition to promote resilience in the Sandy-affected region.
- The goal of the competition was to promote innovation by developing regionally-scalable but locally-contextual solutions that increase resilience in the region.
- In June 2014, HUD announced the award of \$930M to seven winning ideas. Each winning idea comprises multiple phases, which collectively represent a master plan for the area of focus. The seven winning ideas are located in New Jersey, New York State, New York City, and Connecticut.
- Rebuild by Design FR Notice: [79 FR 62182](#)



CDBG-Mitigation (CDBG-MIT) Funds

Public Law 115-123 appropriated:

- \$15.9 billion for mitigation activities for CDBG-DR grantees receiving funds for 2015, 2016, and 2017 disasters

Public Law 116-20 appropriated:

- \$186 million for mitigation activities for CDBG-DR grantees receiving funds for 2018 disasters



CDBG-MIT Funds

Funds for mitigation activities that increase resilience to disasters and eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship by lessening the impact of future disasters.



CDBG-MIT Funds

- All CDBG-MIT activities must:
 1. Meet the definition of a mitigation activity;
 2. Address current and future risks as identified in the grantee's mitigation needs assessment of most impacted and distressed (MID) areas;
 3. Be CDBG-eligible activities or otherwise eligible pursuant to a waiver or alternative requirement; and
 4. Meet a national objective, including additional criteria for mitigation activities and covered projects



CDBG-MIT Federal Register Notices

Mitigation Federal Register Notices:

- [84 FR 45838](#) “Main” CDBG-MIT Notice
- [84 FR 47528](#) for U.S. Virgin Islands
- [85 FR 4676](#) for Commonwealth of Puerto Rico
- [85 FR 561](#) for 2018 CDBG-MIT



CDBG-DR Funds for Electrical Power System

- In 2017, Hurricanes Irma and Maria damaged significant elements of the electricity systems in Puerto Rico and the USVI. Following the hurricanes, five months of repairs were required to restore power to the USVI, and eleven months of repairs were needed to restore power to Puerto Rico.
- Public Law 115-123 appropriated \$2 billion of funding for electrical power system enhancements and improvements for Puerto Rico and U.S. Virgin Islands.
- These funds provide a unique and significant opportunity for the grantees to carry out strategic and high-impact activities to address necessary expenses and mitigate disaster risks to their electrical power systems.
- Federal Register Notice: <https://www.govinfo.gov/content/pkg/FR-2021-06-22/pdf/2021-12934.pdf>



CDBG-DR Consolidated Notice

- In 2022, HUD published Notices that combine “allocation-specific” requirements in the Allocation Announcement Notice (AAN) and “consolidated requirements” in the CDBG-DR Consolidated Notice (Appendix B of the Notice):
 - 2020 CDBG-DR Notice ([87 FR 6364](#)) - February 3, 2022
 - 2020 and 2021 CDBG-DR Notice ([87 FR 31636](#)) - May 24, 2022
 - 2020 and 2021 CDBG-DR Notice ([88 FR 3198](#)) - January 18, 2023
 - 2020, 2021, and 2022 CDBG-DR Notice ([88 FR 32046](#)) - May 18, 2023
 - 2022 and 2023 CDBG-DR Notice ([88 FR 82982](#)) - November 27, 2023
- The CDBG-DR Consolidated Notice combined and updated requirements from several different Federal Register notices and CPD Notices that have governed CDBG-DR funds in the past.

CDBG-DR Universal Notice

- On January 8, 2025, HUD published the “Universal Notice” (90 FR 1754) that outlines the requirements for CDBG-DR funding after a qualifying presidential disaster declaration. It explains the steps, timelines, and any exceptions that will guide the use of these funds for disaster recovery.
- HUD published two memoranda to revise several sections of the Universal Notice to align with executive orders.
 - [Memorandum 2025-02](#) - March 19, 2025
 - [Memorandum 25-03](#) - March 31, 2025
- Please read HUD's Unofficial [Universal Notice PDF](#) which includes revisions from the memoranda.
- The Universal Notice will apply to all future CDBG-DR grantees to streamline the post-disaster recovery processes.
- HUD has developed a [Universal Notice webpage](#) which includes tools and resources for your review.

Waivers and Resources



Waivers

- The Secretary may provide waivers or specify alternative requirements if such waiver is not inconsistent with the overall purpose of Title I of the Housing and Community Development Act of 1974.
- The Secretary may not waive requirements related to fair housing, nondiscrimination, labor standards, and the environment.



CDBG-DR High Risk Areas Based On Prior Disaster Experiences

- Procurement
 - Not following procurement policies and procedures
 - States can choose to follow its own procurement policies and procedures
 - Ensuring all CDBG-DR requirements are met
 - Usually involve larger and more complex awards
- Contractor oversight
 - Ensuring all program requirements are met at the contractor and subcontractor level
 - Davis Bacon, inspections
 - Monitoring contractor performance



CDBG-DR High Risk Areas Based On Prior Disaster Experiences

- Financial Policies and Procedures
 - No payment review to ensure costs are eligible, reasonable and allocable and according to awarded contract
- Duplication of Benefits
 - Not having a system in place to ensure CDBG-DR funds only address unmet needs
- Cost allocation
 - No documentation of grantee's staff time and operational expenses



Computer Matching Agreement (CMA)

- The CMA is a data sharing agreement between FEMA with HUD and CDBG-DR grantees.
- Provides current Individual Assistance program data from FEMA to assist CDBG-DR grantees.
- This data assists CDBG-DR grantees as they build out their:
 - Most impacted and distressed (MID) and unmet needs assessment
 - Market their programs to potentially impacted individuals
 - Complete their duplication of benefits analyses for individual benefits



Reporting and Systems

- Grantees are required to report to HUD on a quarterly basis
 - Performance Reports due quarterly (QPRs)
- Activities from the approved Action Plan, Amendments, and QPRs are submitted via the Disaster Recovery Grant Reporting (DRGR) system
- This is the method by which grantees drawdown funds
- For more information, please see the Disaster Recovery Grant Reporting System webpage on the HUD Exchange

<https://www.hudexchange.info/programs/drgr/>



Reporting and Systems

- CDBG-DR Main HUD Page

https://www.hud.gov/program_offices/comm_planning/cdbg-dr

- CDBG-DR Laws, Regulations, and Federal Register Notices

<https://www.hud.gov/hud-partners/community-cdbg-dr>

- CDBG-DR Grantee Contacts

<https://www.hudexchange.info/programs/cdbg-dr/cdbg-dr-grantee-contact-information/#all-disasters>

